

CHAPTER 13-02-15 LOAN PRODUCTION OFFICES

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13-02-15-01. Definitions. "Loan production office" means an office in North Dakota which is apart from a North Dakota state-chartered bank's main bank, banking house or office, walk-in and drive-up facility, or paying and receiving station, where loans are solicited but are not approved or disbursed.

History: Effective May 1, 1993.

General Authority: NDCC 6-01-04, 6-03-02

Law Implemented: NDCC 6-03-38

13-02-15-02. Authorization of loan production offices. The commissioner or the board shall authorize the establishment of loan production offices by state-chartered banks.

History: Effective May 1, 1993.

General Authority: NDCC 6-01-04, 6-03-02

Law Implemented: NDCC 6-03-38

13-02-15-03. Limitation. Loan production offices may not be established when the establishment of such offices would impair the applicant bank's capital structure. There are no population or geographic restrictions applied to such offices in the state of North Dakota. This chapter does not authorize the establishment of a loan production office in North Dakota by state-chartered banks located in other states.

History: Effective May 1, 1993.

General Authority: NDCC 6-01-04, 6-03-02

Law Implemented: NDCC 6-03-38

13-02-15-04. Permissible activity. Loan production offices are limited to the following activity:

1. Soliciting loans on behalf of a bank, banking house or office, walk-in and drive-up facility, or paying and receiving station.
2. Assembling credit information.
3. Conducting property inspections and appraisals.

4. Securing title information.
5. Preparing applications for loans, including making recommendations with respect to action.

History: Effective May 1, 1993.

General Authority: NDCC 6-01-04, 6-03-02

Law Implemented: NDCC 6-03-38

13-02-15-05. Loan production office application. A loan production office may not be established, or operated, by a state-chartered bank until after the bank has submitted a written application to the commissioner or board and received a certificate of authority to operate such office. The application must describe with regard to the loan production office the following:

1. The location.
2. A general description of the area where located, e.g., shopping center, supermarket, department store, etc.
3. The proposed activity for the location.
4. Whether the location will be staffed, and if so, the nature of employee compensation, whether an employee of the bank or a fee and commission basis.
5. Description as to the types of loans to be solicited.
6. Any other information the commissioner determines necessary.

History: Effective May 1, 1993.

General Authority: NDCC 6-01-04, 6-03-02

Law Implemented: NDCC 6-03-38

13-02-15-06. Revocation of certificate of authority. The commissioner shall revoke the certificate of authority for a loan production office where it has been determined a loan production office has engaged in any activity not specifically provided for in section 13-02-15-04.

History: Effective May 1, 1993.

General Authority: NDCC 6-01-04, 6-03-02

Law Implemented: NDCC 6-03-38

13-02-15-07. Appeal. A bank whose certificate of authority has been revoked may appeal the commissioner's decision for consideration of the board if the appeal is filed within fifteen days after receipt of notice of certificate revocation.

Consideration of the board must occur within sixty days after the date the appeal is filed.

History: Effective May 1, 1993.

General Authority: NDCC 6-01-04, 6-03-02

Law Implemented: NDCC 6-03-38